



Maryland Continuing Care Residents Association
Protecting the Future of Continuing Care Residents
The Voice of Continuing Care Residents at Annapolis

SUBJECT: Senate Bill 411 - Long-Term Care Insurance - Premium Rate Increases - Restriction (Equity in Long-Term Care Insurance Premiums Act)
COMMITTEES: Senate Finance Committee
The Honorable Delores Kelley, Chair
DATE: Wednesday, February 3, 2021
POSITION: **FAVORABLE**

The **Maryland Continuing Care Residents Association (MaCCRA)** is a not-for-profit organization representing the residents in continuing care retirement communities (CCRCs). Maryland has over 18,000 older adults living in CCRCs. The principal purpose of MaCCRA is to protect and enhance the rights and financial security of current and future residents while maintaining the viability of the providers whose interests are frequently the same as their residents. MaCCRA SUPPORTS efforts to:

- Enhance: Transparency, Accountability, Financial Security; and
- Preserve existing protections in law and regulation for current and future CCRC residents statewide.

On behalf of the Maryland Continuing Care Residents Association, we support Senate Bill 411. As drafted, SB411 *“Prohibits a carrier from imposing a premium rate increase for a policy or contract of long-term care insurance in a year in which the carrier, or any entity with which the carrier is affiliated, pays a dividend, or comparable payment, to its shareholders or a bonus or benefit to any of the executive officers of the carrier or any entity with which the carrier is affiliated that is in addition to the contractually fixed compensation provided to the executive officers for certain services.”*

Continuing Care Retirement Communities typically operate a complex or campus where residents start in independent living and move to other levels of care as needed. CCRCs have assisted living, typically a memory-care unit, and skilled nursing if their health and mobility decline. CCRCs are classified into three types:

- Type A (“extensive contracts” including long-term care at no monthly fee increase in cost)
- Type B (“modified contracts”, including a limited amount of long-term care services at no monthly fee increase)
- Type C (“fee-for-service”; they charge much higher monthly fees to someone who moves to long term care (i.e. into the community’s assisted living or comprehensive nursing care facilities).

Many CCRC residents, particularly those that live in Type C facilities maintain LTC insurance. It is an important tool that allows residents to afford their accommodations and cover the care that is needed as they age in place. **We support efforts to limit and/or cap premiums on LTC insurance for seniors relying on the coverage and who often live on a fixed income.**

For these reasons we support Senate Bill 411 and ask for a favorable report.

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